## RUMARKS

In response to the Office Action dated June 3, 2004, Applicant respectfully requests reconsideration based on the following remarks. Applicant respectfully submits that the claims as presented are in condition for allowance.

Claim 1 has been amended to include the features of canceled claim 2 and thus this amendment does not raise any new issues. Claims 23 has been amended to include the features of canceled claim 25 and thus this amendment does not raise any new issues.

Claims 2 and 25 were rejected under 35 U.S.C. § 103 as being unpatentable over Nolting in view of Lesley. This rejection is discussed below with reference to claims I and 23.

Claim 1 recites "providing a dial tone to the set activation fee telephone from the public switched telephone network if the billing information is valid." In embodiments of the invention, no dial tone is provided until the billing information is confirmed. In fact, a false dial tone may be generated (Applicant's specification, page 3, lines 7-10) which is then released and replaced with a dial tone once the billing information is approved (Applicant's specification, page 3, lines 7-10). This feature is not provided in Nolting or Lesley.

In applying Nolting, the Examiner cites to column 30, lines 10-39. This section of Nolting does not disclose withholding dial tone. Similarly, Lesley specifically teaches placing the call and then verifying prepayment. Accordingly, Lesley teaches providing dial tone (i.e., so the call can be initiated) without waiting to verify payment information. Thus, even if Nolting and Lesley are combined, the subject matter of claim 1 does not result.

For at least the above reasons, claim 1 is patentable over Nolting in view of Lesley.

Claim 25 recites "prior to placing the telephone call to the called telephone number, determining whether billing information for the telephone call is valid." Again, neither Nolting nor Lesley teach or suggest this feature as discussed above with reference to claim 1. Accordingly, claim 25 is patentable over Nolting in view of Lesley.

In view of the foregoing remarks, Applicant submits that the above-identified application is now in condition for allowance. Early notification to this effect is respectfully requested.

If there are any charges with respect to this response or otherwise, please charge them to Deposit Account 06-1130 maintained by Applicant's attorneys.

Respectfully submitted,

y. TIX (AAAAA)

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